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Candace Havens
Director

WORKING SESSION MEMORANDUM

DATE: March 22, 2013

TO: Alderman Marcia Johnson, Chairman
Members of the Zoning and Planning Committee

FROM: Candace Havens, Director of Planning and Development
James Freas, Chief Planner, Long-Range Planning 

RE: #162-12: THE ECONOMIC DEVELOPMENT COMMISSION requesting a one-year moratorium, starting immediately, where no bank shall be allowed to be built or opened for business on the ground floor of any building in any Business District within the city unless granted a Special Permit from the Board of Aldermen.

MEETING DATE: Working Session on March 27, 2013

CC: Board of Aldermen
Planning and Development Board
Donnalyn Kahn, City Solicitor

EXECUTIVE SUMMARY

Petition number 162-12, proposing a moratorium on ground level banks except by special permit, was introduced by the Economic Development Commission (EDC) in June of 2012 as a mechanism for advancing the issue of Village Vitality in Newton's village centers. Village Vitality is a key issue for the City and a predominance of banks in a village center can have a diminishing effect on the street life and engagement potential of a village area. At the same time, banks are also anchor tenants in a village and serve an important role in the business community, both formally in their capacity as banks, and informally as community leaders and organizers. Analysis of the location and rate of new bank establishment in Newton showed a very moderate rate of growth and that the impact was highly localized to only a couple village centers. The issue of Village Vitality is multi-dimensional, complex, and offers no readily-apparent right or wrong answers; the solutions must be tailored to the place and recognize the synergy or connectedness between all of the different aspects of an individual village. For those reasons, the Planning Department's recommendation, supported by various conversations on this topic at the Zoning and Planning Committee, is to address Village Vitality through a range of other programs that are designed to generate solutions responsive to the inter-connectedness of the issue and the individuality of the villages, and to not create a moratorium on banks as proposed.

Findings

Banks provide vital services to the community and are a particularly important component of a village center, as they generate foot traffic, provide banking services to local businesses, and often provide generous support of village-based activities. The precise issue raised by the presence of numerous banks in a village area is less about there being banks as it is an issue of urban design and operation. Active, engaging storefronts and extended hours support active street-life and many banks are incorporating these elements. A hallmark of successful village vitality is a fine-grained mixture of uses and good urban design. Successful commercial villages demand an interesting, engaging environment that people visit just to see what is going on, to wander, and to shop. The village itself is the destination and banks are part of the mix.

The primary purpose of the proposed moratorium was to stem the development of new banks in village centers so as to allow time for a more comprehensive look at the issue of village vitality. Looking at data from the Federal Deposit Insurance Corporation (FDIC), between 2007 and 2011 there was an increase of two banks. While other bank locations were proposed in 2012, the overall growth rate remains modest. Banks are also quite concentrated in Newton Centre, Newtonville, and West Newton (see map). The overall dominance of banks in these settings though, is a factor of the percentage of commercial frontage they occupy such that, while there are a greater number of banks in Newton Centre, there is more commercial space overall. The impact of banks on the vitality of the village area is also a product of its location with many banks properly located to support overall activity without necessarily detracting from continuous retail frontages.

There are a number of projects and activities ongoing or planned relative to the Village Vitality efforts:

1. Main Streets Program – The Planning Department will invite one or more speakers to come to an upcoming ZAP meeting to share details of this program and how it might be applied in Newton's villages.
2. Zoning Reform – Improving Newton's zoning ordinance is one of the most important steps necessary for economic development, including Village Vitality. Phase 1 of this project is ongoing with the second visit of the City's zoning consultant scheduled for April 8. Phase 2 is planned for the fall and Village Vitality will be an important component of this work as the City considers substantive policy changes in the zoning ordinance.
3. Community Engagement and Beautification – The Mayor's Village Community Engagement and Beautification staff are actively working with village area residents and businesses to identify small, low-cost improvements that can have big impacts on the attractiveness and vitality of Newton's villages. This effort is currently focused on Nonantum.
4. Parking Management Plan – Parking is a critical issue in the village centers. The parking management plan currently under development will include a range of parking solutions to support village vitality.

Next Steps

Given that the evaluation of impacts of banks on the City's village centers was shown to be relatively modest, and that a variety of efforts are underway to enhance village vitality for which the moratorium was directed, staff recommends that the Committee take no action on this item. Updates on the initiatives listed above can be provided to the Committee at any time. Should the Committee wish to hold the item, staff requests it provide staff with direction as to what additional information might be needed for the Committee to take further action.